

INFORMATION REPORT INFORMATION REPORT

CENTRAL INTELLIGENCE AGENCY

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REPORT

COUNTRY Poland

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General

1. The "Samopomoc Chlopska" (Peasant Self-Help) Agricultural Cooperatives Center (Centralna Rolnicza Spoldzielni, CRS) was established in 1948 when the government decided to take over the functions then performed by the "Spelem" Cooperative Union and other consumer and quasi-producer cooperatives of this type, which until that time operated without state control. President of CRS since its establishment was Tadeusz Janczyk, a long standing PZPR member. The Main Administration of CRS occupied a building at ulica Kopernika 30, Warsaw. CRS had status equivalent to a ministry, and the President of CRS was a member of the Council of Ministers. About 1,500 persons were employed in the Main Administration in Warsaw. The whole system employed from 170,000 to 210,000 persons throughout the country, the total tending to increase in recent years.

Mission

2. CRS constituted the structure established to administer the operations of "Samopomoc Chlopska" Gmina Cooperatives (Gminne Spoldzielnie "Samopomoc Chlopska", GS) operating in rural areas throughout Poland. The over-all mission of the Gmina Cooperatives system was to provide private and cooperative agriculture with all the industrial commodities as well as all food and fodder products they required.

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Gmina Cooperative Tasks

3. The Gmina Cooperative system had the following main tasks:
 - a. To conduct the sale of industrial goods and equipment, artificial fertilizers, fuel, and animal fodder to private and cooperative farms;
 - b. To collect compulsory deliveries of livestock and agricultural produce from private and cooperative farms and deliver them to state warehouses;
 - c. To conduct the sale, through Gmina Cooperatives stores, of industrial commodities and food products to rural areas;
 - d. To conduct the purchase from private and cooperative farms of agricultural produce in excess of compulsory delivery obligations, and to deliver such produce to State reserves or resell in Gmina Cooperative stores;
 - e. To provide certain specialized services for rural areas, such as flour-grinding, slaughtering, and machinery repair.

Organizational Structure of Cooperative System

4. The organizational structure of the cooperative system can best be viewed by examination from the bottom up, that is, by examining the Gmina Cooperatives themselves first, and then proceeding upward to the level of the County Union of Gmina Cooperatives, then the Voivodship Union of Gmina Cooperatives, and finally the Agricultural Cooperatives Center (CRS) in Warsaw, which administered the entire system.
5. A Gmina Cooperative constituted a consumer cooperative formed by peasants from a number of adjoining villages who held shares in the cooperative. Shares cost approximately 50 zlotys. Normally, a peasant bought only one share a year, simply as a formality, since in recent years very few cooperatives had been able to declare dividends. Theoretically, there was no limit to the number of shares a member could hold, and in those few areas such as the Krakow, Poznan, and Lodz Voivodships where Gmina Cooperatives often showed annual outstanding dividends many members held a number of shares. Likewise, in theory, a member could leave the cooperative and turn in his shares for refund, but this rarely, if ever, occurred.
6. There were various circumstances which helped to motivate a peasant into joining a cooperative. Principal reason was the fact that cooperative members received preferential treatment in the sale of artificial fertilizers, livestock fodder, fuel, and other attractive commodities. Such items were frequently in short supply and at such times were sold to cooperative members first. Another factor helping to persuade peasants to join was active state pressure. Peasants who refused to join were pointed out as "enemies of socialism" and "class enemies". Moreover, the peasants traditionally had confidence in the cooperatives; there was the general feeling that "I don't get much, but I don't lose anything", and at least the cooperative provided certain useful services. about 60 percent of the peasants in Poland belonged to Gmina Cooperatives.

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7. Once a year, the peasants in each village who belonged to a Gmina Cooperative met in a General Meeting (Walne Zebranie). Main purpose of this meeting was to select delegates to a General Assembly (Walne Zgromadzenie) at the gmina level. This General Assembly selected the leadership of the Gmina Cooperative which served that particular gmina and also selected representatives to the General Assembly of Representatives (Walne Zgromadzenie Przedstawicieli) at the county level. The General Assembly of Representatives selected the leadership of the County Union of "Samopomoc Chlopska" Gmina Cooperatives (Powiatowy Związek Gminnych Spółdzielni "Samopomoc Chlopska") and also selected delegates to the General Assembly of Delegates (Walne Zgromadzenie Delegatów) at the voivodship level, which, in theory, selected the leadership of the Voivodship Union of "Samopomoc Chlopska" Gmina Cooperatives (Wojewódzki Związek Gminnych Spółdzielni "Samopomoc Chlopska"). In practice, [] selection of the leadership at the voivodship level was either prompted from above or was subject to approval from above. The General Assembly of Delegates also selected delegates to the National Convention of Delegates, CRS (Krajowy Zjazd Delegatów, CRS) which was to meet in Warsaw, but which rarely ever took place. 50X1-HUM
8. The National Convention of Delegates, CRS, selected a Chief Council (Rada Naczelna) as its leadership to oversee the entire structure of the Gmina Cooperative system. This Chief Council contained about 50 members. Executive arm of the Chief Council was a Presidium for the Main Administration of CRS (Prezydium Zarządu Głównego CRS), containing about 12 members, and formed in theory to oversee the operations and activities of the CRS. Its functions were mainly a formality. The President of CRS was a member of the Presidium. Although the delegates to the National Convention were all GS shareholders, the members of the Chief Council and of the Presidium were not necessarily so, and in fact many of them were assigned to these positions by the Party. In like manner, although the delegates to the General Assembly of Representatives and the General Assembly of Delegates were GS shareholders, the leadership of County and Voivodship Unions were not necessarily shareholders, but persons chosen for their administrative abilities. The workers in the various departments and sections of the Center in Warsaw and of the subordinate County and Voivodship Unions were also not normally shareholders, but simply civil servants, such as were found in other ministerial departments. The leadership of a Gmina Cooperative usually contained GS shareholders, but the administrative workers of the GS were not normally shareholders.
9. There was one Voivodship Union of Gmina Cooperatives for each voivodship, and each Voivodship Union supervised a number of County Unions of Gmina Cooperatives. There were about 240 County Unions in Poland, i.e., [] one County Union in each county. Each County Union supervised a number of "Samopomoc Chlopska" Gmina Cooperatives. The territory of the Gmina Cooperative generally coincided with the administrative territory of the gmina. However, there were instances in which a gromada (the smallest territorial sub-division) in one gmina might be served by the Gmina Cooperative of another gmina. [] there were at least 4,000 Gmina Cooperatives in Poland. 50X1-HUM
10. A Gmina Cooperative was headed by a president, who had two assistants known as the First Member of the Administration (Pierwszy Członek Zarządu) and the Second Member of the Administration. The GS administration had a number of

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sections or sub-divisions to handle the various functions, such as accounting, supply and sales, purchase and contract negotiations, and collection and forwarding of compulsory deliveries. In addition, a GS would have some and perhaps all of the following:

- a. Retail stores. There was usually a GS store in every village and three or four in a small rural town. The GS usually served about 10 villages and two or three small towns. The stores in the villages were of the general store type. Stores in the small towns were both of the general store (or multi-branch) type and of the single branch type, i.e., specializing in the sale of only one or two commodities, such as food, textiles, metalware, and baked goods. There were no GS retail stores above the small town level, since the mission of the system was to serve rural areas. In addition to GS stores, a small town might also contain one or more independent cooperative stores and stores of the Local Retail Trade (Miejski Handel Detaliczny) network, administered by the Ministry of Internal Trade. However, in some of the larger rural towns, the County Union of Gmina Cooperatives operated a Rural Commodities House (Wiejski Dom Towarowy), which was a large store of the multi-branch type. The Voivodship Union had no retail outlets. [redacted] Poland contained about 100,000 GS stores in 1956. Storekeepers in village stores were usually hired on a contract basis, specifying salary plus a commission on percentage of turnover. Occasionally, storekeepers were hired on a purely commission basis.
- b. Bakeries. Each Gmina Cooperative had a minimum of two bakeries dealing in the production and retail sale of baked goods.
- c. Meat products factory. There was usually one meat products factory in each Gmina Cooperative, primarily for the production of sausage meats. In the vicinity of each meat products factory, there was also a slaughter house operated by the cooperative. The slaughter house served both the factory, GS operated stores and restaurants, and private and cooperative farmers.
- d. A beer and soft beverage bottling plant, usually one per Gmina Cooperative.
- e. A milk processing plant, usually one per Gmina Cooperative, for the processing of milk and the production of butter, cheese, and other dairy products.
- f. Warehouses. There were usually several warehouses in each Gmina Cooperative where various materials were stored, such as fodder, fuel, artificial fertilizers, and building materials. Purchase of these commodities was made by the consumers directly from the warehouse. [redacted] there were about 6,000 fodder warehouses operated by Gmina Cooperatives throughout Poland. Each GS also had several warehouses for the storage of grain and agricultural produce collected as compulsory deliveries to be forwarded to the state. In addition, the GS had one or more warehouses for the stocking of supplies needed by stores and other enterprises subordinate to the GS.

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g. Restaurants (Gospoda ludowa, People's Inns). Restaurants, at least two or three per each Gmina Cooperative, were usually found in towns, rather than villages. [] there were about 4,000 restaurants operated by Gmina Cooperatives throughout Poland.

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h. Truck and livestock farms. These were small farms used principally to support cooperative-operated restaurants. The farms were originally formed from the small remnants of land (resztowki) left over in various parts of the country following the land reform. [] there were about 1,500 such farms in the system.

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i. Flour mills. [] there were about 2,800 flour mills operated by Gmina Cooperatives. Not every cooperative had a flour mill. The mill served the Gmina Cooperatives (for the milling of flour to be sold in cooperative stores) and also ground flour on a contract basis for private and cooperative farmers. Payment for contract milling of flour was usually made in grain, which was then sent by CRS to the state along with regular compulsory deliveries.

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j. Torf fields. A few Gmina Cooperatives exploited torf fields. These were fields which had formerly been exploited by private individuals, who were forced out of the activity by the state.

k. Purchasing points (punkt skupu). Each Gmina Cooperative operated several purchasing points for the purchase from private and cooperative farmers of truck and other agricultural products. Compulsory deliveries constituted the majority of the products purchased at the purchasing points. In addition, purchasing points brought produce produced by private farmers and cooperative farms in excess of compulsory delivery quotas. The activity of purchasing points is described in greater detail below.

1. Livestock collection points (punkt spedowy). Each Gmina Cooperative operated several livestock collection points which, like purchasing points, were established to collect compulsory deliveries of livestock, whenever such were assigned, as well as deliveries of livestock fulfilling contracts agreed upon between private and cooperative producers and the state.

County Union of Gmina Cooperatives

11. All the Gmina Cooperatives in a particular county (powiat) were supervised by a County Union of "Samopomoc Chlopska" Gmina Cooperatives, which of course had its headquarters in the county seat. A County Union was headed by a President, with two assistants, and a number of subordinate administrative sections, such as sections responsible for the functions of accounting, planning, transport, purchasing and distribution, and technical services.. The County Union operated no small retail stores, but did operate Rural Commodities Houses (Wiejski Dom Towarowy) i.e., multi-branch type stores, in rural towns larger than village-size, such as the county seat. The County Union also operated a number of wholesale distributing installations for the supply of goods to Gmina Cooperatives. Most of these installations consisted of warehouses where the commodities needed by Gmina Cooperatives were stocked. The County Union also operated warehouses from which stores of materials, primarily lumber for building materials, were sold at retail prices directly to consumers.

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Voivodship Union of Gmina Cooperatives

12. All the County Unions of Gmina Cooperatives in a particular voivodship were supervised by a Voivodship Union of "Samopomoc Chlopska" Gmina Cooperatives. The Voivodship Union was headed by a president, with one Vice-president, and sections responsible for functions such as accounting, inspection, procurement and distribution, production, technical services, and others. The Voivodship Union operated no retail commodity outlets. It had only wholesale distributing outlets for the supply of County Unions and Gmina Cooperatives. However, an important subsidiary enterprise of the Voivodship Union were the Repair and Installation Shops (Zaklady Remontowo-Montazowe) operated by the Union and supplying to private farmers and cooperative farms facilities for the repair and installation of agricultural machinery and equipment. Repair and Installation Shops were usually located in the voivodship seat and occasionally in other large voivodship towns. The Repair and Installation Shops in a voivodship were supervised by a Voivodship Administration of Repair and Installation Shops (Wojewodzki Zarzad Zakladow Remontowo-Montazowych), subordinate to the Voivodship Union. All work performed by Repair Shops, whether for private or cooperative farms or for enterprises subordinate to CRS, was paid for on a cost-basis.

Main Administration of CRS

13. The entire structure of Gmina Cooperatives, County Unions, and Voivodship Unions was administered by the "Samopomoc Chlopska" Agricultural Cooperatives Center in Warsaw. Since the entire system, however, was also referred to as the Agricultural Cooperatives Center, i.e., CRS, the headquarters in Warsaw was known as the Main Administration (glowny Zarzad). President of CRS was Tadeusz Janczyk, a PZPR member and delegate to the Sejm. First Vice-President was Emil Kolodziej, a PZPR member, and Second Vice-President was Kazimierz Banach, a member of the United Peasant Party (ZSL) and delegate to the Sejm. The organization of the Main Administration of CRS is shown in the following paragraphs. A diagram of this organization is shown on page 13.
14. Directly subordinate to the President were the following:
- a. Presidial Bureau (Biuro Prezydialne), serving as the general secretariat of the organization.
 - b. Planning Bureau (Biuro Planowania), under Director Trendota (fnu).
 - c. Organizational Bureau (Biuro Organizacji).
 - d. Personnel Bureau (Biuro Kadr), under Director Olgierd Cemerski, a PZPR member. The Personnel Bureau, in addition to the usual personnel functions which it performed for the Main Administration, supervised personnel policies throughout the CRS structure, including Voivodship and County Unions and Gmina Cooperatives.
 - e. Independent Military Section (Samodzielny Wydzial Wojskowy), headed by a Lieutenant Colonel (fnu, lnu) who always wore a uniform. This section supervised the call-up status and reserve status of all personnel in the Main Administration and subordinate organizations, and nominated workers for three-month active military duty tours.

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15. Directly subordinate to the First Vice-President was the office of Procurement and Contracting (Resort Kontraktacji i Skupu), which was subdivided into the following:

a. Bureau for Planning and Supervision of Procurement and Contracting (Biuro Planowania i Instruktarzu Kontraktacji i Skupu). This bureau was responsible for planning the quantities of goods to be procured; issuing instructions concerning procurement methods; and for organizing and supervising procurement and contracting operations. The bureau had the following departments:

- (1) Department for Procurement of Sown Grain (Dzial Skupu Zboz Siewnych)
- (2) Potato Turnover Department (Dzial Obrotu Ziemniakami)
- (3) Department for Contracting and Procurement of Livestock (Dzial Kontraktacji i Skupu Zwycza)
- (4) Department for the Procurement of Raw Hides and Fibrous Products (Dzial Skupu Skor Surowych i Artykulow Wloknistych)

16. Directly subordinate to First Vice-President Emil Kolodziej also was the Office for Supply of Villages (Resort Zaopatrzenia Wsi), which was subdivided into the following:

- a. Planning and Accounting Bureau (Biuro Planowania i Sprawozdawczosci), responsible for planning quantities of goods needed and accounting for the quantities of goods distributed.
- b. Bureau of Trade Methods and Instruction (Biuro Techniki i Instruktarzu Handlu), responsible for supervision of trade methods, the qualifications of employees engaged in trading, and instruction in trade practices.
- c. Food Products Trade Branch (Zarząd Handlu Artykulami Spożywczymi), responsible for the procurement and distribution of food products throughout the CRS system.
- d. Industrial Products Trade Branch (Zarząd Handlu Artykulami Przemysłowymi), responsible for the procurement and distribution of industrial goods throughout the CRS system.
- e. Agricultural Products Trade Branch (Zarząd Handlu Artykulami Produkcji Rolniczej), responsible for supervision and organization of the distribution, sale, and purchase of agricultural products sold throughout the CRS system. The division of responsibility between this branch and the Food Products Trade Branch was such that the former was concerned with food products used directly by the consumer (butter, canned goods, etc.) and the latter was concerned with agricultural products used mainly for livestock (hay, mash, etc.).
- f. Transport Branch (Zarząd Transportu), responsible for supervision of transport equipment and practices in subordinate organizations, including use of equipment, distribution of transport, and purchase of new equipment.
- g. Public Dining Branch (Zarząd Żywnienia Zbiorowego), which supervised the trade aspects of the restaurants operated by Gmina Cooperatives.

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17. Directly subordinate to Second Vice-President Kazimierz Banach was the Office of Inspections, Self-Management, and Training (Resort Redwizji, Samorządu, i Szkolenia), which acted as an inspector general's office and was concerned with financial audits, inspections, investigation of financial and other irregularities, and training of personnel. The Office consisted of the following:
- a. Inspections Bureau (Biuro Rewizji).
 - b. Professional Training Branch (Zarząd Szkolenia Zawodowego), concerned with the recruitment and training in courses and schools of candidates for work in CRS, as well as further training of regular CRS employees. The Office operated a Cadre Training Center (Ośrodek Szkolenia Kadr) in Warsaw on ulica Tarczyskiej offering courses lasting from a few months to two or three years for regular CRS employees.
18. Directly subordinate to a third vice-president was the office of Finance (Resort Finansów), with the following subdivisions:
- a. Finance Bureau (Biuro Finansów), under Director Tadeusz Bereza, a PZPR member. He also had the title of Chief Bookkeeper of CRS.
 - b. Budget Bureau (Biuro Budżetowe), under Ingłot (fnu), a PZPR member.
 - c. Investments and Capital Repairs Bureau (Biuro Inwestycji i Kapitałowych Remontów). This bureau controlled all centrally-financed investments and capital repairs, including issuance of funds in all subordinate establishments, down to and including Gmina Cooperatives.
 - d. Administration and Maintenance Bureau (Biuro Administracyjno Gospodarcze). In addition to its administrative and maintenance responsibilities, this bureau officially supervised the editorship of the bi-weekly periodical organ of CRS, Rołnik Spółdzielca (Farmer - Coop Member), although in practice this periodical was supervised directly by the President.
19. Directly subordinate to a fourth vice-president was the Office of Production (Resort Produkcji), with the following subdivisions:
- a. Bakery Production Branch (Zarząd Produkcji Piekarniczej), responsible for over-all control and supervision of all bakeries operated by Gmina Cooperatives throughout Poland.
 - b. Meat Production Branch (Zarząd Produkcji Masarniczej), responsible for over-all control and supervision of all meat processing enterprises and meat stores operated by Gmina Cooperatives.
 - c. Agricultural Farms Branch (Zarząd Gospodarstw Rolnych), responsible for general supervision and control of all the farms operated by Gmina Cooperatives.
 - d. Torf Industry Branch (Zarząd Przemysłu Torfowego), responsible for supervision and control of all torf fields exploited by Gmina Cooperatives.
 - e. Repair and Installation Shops Branch (Zarząd Zakładów Remontowo Montazowych), responsible for supervision and guidance of Voivodship Administrations of Repair and Installation Shops.
 - f. Artificial Fertilizer Sales Branch (Zarząd Sprzedaży Nawozów Sztucznych), responsible for general supervision of the sale and distribution of artificial fertilizers by CRS throughout Poland.
 - g. Technical and Material Supply Branch (Zarząd Zaopatrzenia Techniczno Materiałowego), responsible for the supply of equipment and office materials to all main administration and subordinate offices.

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Salaries

20. [redacted] the President of CRS received a salary of about 10,000 zlotys monthly, plus an expense fund and other privileges, such as the use of an automobile and chauffeur, rent-free apartment, etc. A vice-president received a monthly salary of about 7,000 zlotys, plus an expense fund and other privileges. The chief of a bureau or branch received from 2,200 to 3,000 zlotys monthly. The president of a County Union of Gmina Cooperatives received about 3,500 zlotys monthly and the president of a Voivodship Union, about 5,000 zlotys. The president of a Gmina Cooperative received from 2,000 to 2,500 zlotys monthly.

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Party and Trade Union Organizations

21. There was a Basic Party Organization (Podstawowa Partyjna Organizacja) of PZPR in the Main Administration of CRS, to which about 300 persons belonged. The organization had several full-time employees who had no other functions in CRS. The functionaries of the organization were appointed by the Central Committee of PZPR. The organization was divided into sub-groups; the chiefs of sub-groups were chosen from regular employees of CRS who had other duties, as well as their party organization functions. The Main Administration also contained a party organization of the United Peasant Party (ZSL), a rather weak group to which about 40 persons belonged. Employees of the Main Administration of CRS belonged to the Trade Union of Trade Workers, of which there was a local council in the Main Administration of CRS.

Collection of Compulsory Deliveries

22. The Gmina Cooperatives were responsible for the collection of all compulsory delivery obligations from private and cooperative farms. Grain and other non-animal products were delivered to purchasing points and livestock and animal products were delivered to livestock collection points; both types of points were operated by Gmina Cooperatives. Quotas for deliveries and approximate time periods for delivery were established by the local gmina People's Council, according to orders received from above. The Gmina Cooperative announced the specific time periods when particular types of delivery would be accepted at points. The Gmina Cooperative was responsible for receiving, classifying, and weighing deliveries and paying the farmers for them at prices fixed by the Ministry of Procurement. After acceptance of compulsory deliveries, the Gmina Cooperative retransported them to a County Union storehouse or directly to state warehouses. Occasionally, products were delivered directly to state enterprises, for example, grain delivered to state flour mills. All livestock and agricultural produce delivered to the Gmina Cooperative as compulsory deliveries was turned over to the state, i.e., none of it was diverted back into the CRS system for its use or sale. Grain was delivered to State Grain Plants (Panstwowe Zaklady Zbozowe) subordinate to the Ministry of Procurement. Root plants, such as potatoes, were delivered either to storehouses or directly to processing plants, such as distilleries. Livestock was delivered directly by fast freight to state slaughter-houses.
23. Farmers were frequently given special rewards for meeting quotas and especially for above-quota deliveries, such as permits for the purchase of scarce commodities, for example, coal motorcycles, etc. Above-quota deliveries were also bought by the Gmina Cooperative at higher prices than the regular compulsory delivery. Penalties and fines for non-delivery of compulsory quotas were the responsibility of the local gmina people's council. Monetary taxes

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levied against private and cooperative farms were paid directly into the local gmina people's council. Each people's council made use of the bailiff (soltys) in each village who acted as a local supervisor over tax payments and compulsory deliveries. [redacted] a news-
 paper report in mid-1958 stating that over 38,000 bailiffs had been elected in villages throughout Poland.

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24. In addition to agricultural products delivered to purchasing and livestock collection points as compulsory deliveries or above-quota deliveries, the Gmina Cooperative points acted as the point of collection of produce contracted for with either agents of Gmina Cooperatives or of other state organizations. Produce delivered under contract was paid for at a higher rate than compulsory deliveries; this rate was set by the State Pricing Commission.
25. In each instance in which a transfer of goods or products was made, for instance, the transfer of grain accepted as compulsory delivery from the Gmina Cooperative purchasing point to a County Union storehouse or to a state storehouse or flour mill, a financial transaction took place. [redacted] this represented an opportunity for financial manipulation, since produce accepted at a purchasing point and given a low classification could upon transfer to the next echelon be forwarded under a higher classification, requiring a higher price.
26. The prices paid to farmers for compulsory deliveries were always considerably lower than prices on the open market. All other commodities bought at purchasing points, including above-quota deliveries and contract commodities, were paid for at prices higher than those paid for compulsory deliveries, but nevertheless lower than those on the open market. For this reason farmers made every attempt to sell their above-quota products on the open market, either directly to the consumer or via a middleman. Such transactions, particularly those involving a private middleman, were always carefully watched by the State Trade Inspectorate as well as by the militia. If, for example, a farmer wanted to sell a hog on the open market then he first had to obtain a certificate from the gromada People's Council and the gmina People's Council certifying that he had met all compulsory delivery quotas for the current year. The necessity for obtaining such a certificate constituted a serious obstacle for free trade. In an attempt to improve free trade, as concerns the sale of animal products, the Ministry of Domestic Trade issued a directive permitting Gmina Cooperatives to open special booths for the sale of meat at town market places in which peasants would be able to sell their meat. But here also farmers had to produce the necessary certificate. If a farmer had not fulfilled all his obligations to the State, but nevertheless wanted to sell his products illegally, then he could still manage this by giving bribes. Naturally these bribes affected the eventual cost of the products.

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Procurement of Commodities for Sale in the CRS System

27. Commodities to be sold in the CRS system were obtained both centrally and locally. Products obtained centrally were primarily those produced by the large state monopolies, such as, whiskey, alcohol, sugar, salt, matches, and artificial fertilizers. Commodities obtained centrally were then distributed by the Main Administration of CRS among the individual Voivodship Unions, and occasionally to County Unions. In each instance of a transfer of commodities from a CRS warehouse to an installation of a subordinate union, a financial transaction took place. Local transactions were made by the

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subordinate installations, i.e. Voivodship and County Unions and Gmina Cooperatives, either directly with producers or via wholesale commodity warehouses. County Unions conducted most of their transactions of this type with State Wholesale Food Enterprises in the cities. Voivodship Unions and County Unions always had their own wholesale warehouses which redistributed goods to Gmina Cooperatives. In theory the Gmina Cooperatives should have been able to order from such a wholesale warehouse the commodities they required, but in practice the warehouses tended to deliver to Gmina Cooperatives whatever products they wished to be rid of, merely to be able to show a good commodity turnover and to avoid losses. In these instances also a financial transaction took place. Payment was rarely made in the form of currency but rather by note.

Establishment of Prices

28. The prices set on goods to be sold via the CRS system were calculated by the various pricing commissions, ranging from County Pricing Commission to the centrally located State Pricing Commission.

CRS was entitled to add to the price established by a pricing commission a small merchandising profit.

Even commodities obtained locally by Gmina Cooperatives had to be sold according to prices shown in price lists established by pricing commissions. With commodities whose prices were fixed, i.e., to which the cooperatives could not add a margin of profit, the cooperatives as compensation received a rebate from the wholesale enterprise. This rebate or discount thereby constituted the only profit on such a product. Prices often varied considerably throughout the country on one and the same type of product. This was caused by the fact that in some cases the cooperative was able to buy products directly from the producer, while other cooperatives had to buy similar products through wholesale warehouses. It frequently happened that the prices established by the State on certain articles were deficit prices, i.e., they were lower than the actual cost of products; however, the Gmina Cooperatives never lost on such a product since they always either added a margin of profit to the fixed cost or received a rebate.

50X1-HUM

50X1-HUM

50X1-HUM

50X1-HUM

Revenues

29. The CRS system generally operated with neither losses nor profits. Over-all profits, if any existed, were usually minimal. In addition, the state subsidized the system for investments, and even the wage fund had to come from the State budget since CRS never had enough ready reserves for this purpose. Whenever Gmina Cooperatives showed a profit, the cooperative was allowed to keep 30 percent and the remainder was transferred to the Main Administration of CRS. The 30-percent profits which the Gmina Cooperatives retained was generally used for investments, current repair, social services, sports facilities, propaganda, etc. If after these uses were satisfied, there remained any revenue, then this revenue was distributed to GS members as dividends.

Typical Prices

30. Of the products sold by the CRS system, primarily in GS stores, prices of the following.

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C-O-N-F-I-D-E-N-T-I-A-L

50X1-HUM

C-O-N-F-I-D-E-N-T-I-A-L

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a. Building Materials:

Cement, 1200 to 1600 zlotys per ton;
 Building Lime, 600 to 800 zlotys per ton;
 Bricks, 600 to 1,000 zlotys per one thousand;
 Building lumber, 1,200 to 7,000 zlotys per cut meter;
 Roofing paper, 200 to 600 zlotys per hundred-meter running lengths,
 with a width of 120 cm;
 Iron and zinc plate, 2 to 40 zlotys per kg.

b. Fuel:

Coal for household use, 350 zlotys per ton;
 Agricultural machinery and equipment plows, 250 to 1,200 zlotys;
 Cultivators, 450 to 2,000 zlotys;
 Mowers, 600 to 1,500 zlotys;
 Seeders, 2,500 to 6,000 zlotys;
 Harrows, 300 to 700 zlotys;
 Threshers, 10,000 to 60,000 zlotys;
 Sprayers, 400 to 5,000 zlotys;
 Pitchforks, 15 to 40 zlotys;
 Shovels, 20 to 50 zlotys;
 Hammers, 15 to 35 zlotys;
 Scythes, 60 to 150 zlotys;
 Wooden carts, 2,500 to 4,000 zlotys;
 Milk turbines, 300 to 700 zlotys.

c. Textile Goods:

Heavy fabric for clothing, 90 to 800 zlotys per meter. Note that prices of textile fabrics were frequently higher in the cities; one reason for this was that high quality goods, i.e., higher-priced goods, were not generally sold in the villages;
 Light fabric for clothing, 9 to 380 zlotys per meter;
 Leather and rubber footwear, 120 to 900 zlotys per pair;
 Men's clothing, 250 to 2,200 zlotys per suit or overcoat;
 Women's overcoats, 120 to 900 zlotys.

d. Food Products:

Sugar, 12 to 13 zlotys per kg;
 Flour, 6 zlotys per kg;
 Alcohol, 160 zlotys per liter;
 Wine, 12 to 40 zlotys per bottle;
 Bread, 2.80 to 4 zlotys per kg;
 Butter, 68 to 78 zlotys per kg;
 Salt pork, 27 zlotys per kg;
 Lard, 30 zlotys per kg;
 Meat, 27 to 40 zlotys per kg;
 Canned meat goods, 30 to 40 zlotys per kg;
 Canned fish products, 12 to 18 zlotys per half kg;
 Jam, 6.5 to 8.5 zlotys per half-kg. jar.

Criticism and Shortcomings

31. One of the chief problems in the activity of the GRS system was the lack of qualified cooperative leaders and supervisors in the various subordinate enterprises. Much of this was caused by the fact that many cooperative activists who had considerable supervisory and trade experience were released in order to make room for Party workers and former employees of the militia and the UB. Another shortcoming in the system was the constant interference of the Communist Party both in elections and in the operations of higher and subordinate installations.

Appendix A: Organization of Main Administration of "Samopomoc Chlopska"
 Agricultural Cooperatives Center

C-O-N-F-I-D-E-N-T-I-A-L

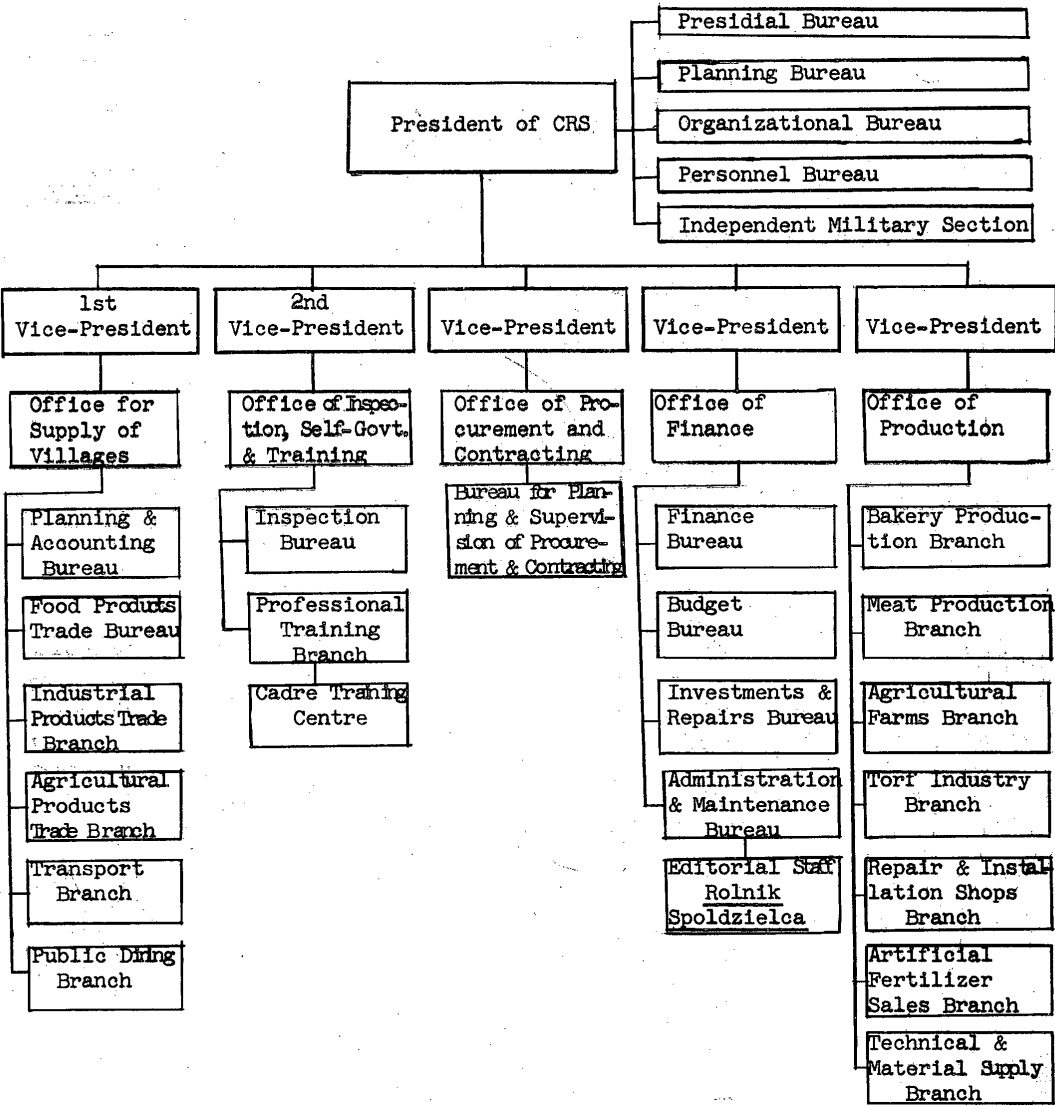
50X1-HUM

C-O-N-F-I-D-E-N-T-I-A-L

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Appendix A: Organization of Main Administration of "Samopomoc Chlopska"
Agricultural Cooperatives Center



C-O-N-F-I-D-E-N-T-I-A-L